



Entered on Docket
November 18, 2010


Hon. Mike K. Nakagawa
United States Bankruptcy Judge

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UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:

CAREFREE WILLOWS, LLC,

Debtor.

Case No. BK-S-10-29932-mkn
Chapter 11

STIPULATED FINAL ORDER AUTHORIZING THE USE OF CASH COLLATERAL

Date: November 16, 2010
Time: 1:30 p.m.

The Emergency Motion for an Order Authorizing the Use of Cash Collateral on an Interim and Continuing Basis [Docket #4] (the “Motion”) having come before this Court pursuant to a Stipulated Interim Order Authorizing the Use of Cash Collateral [Docket #34] (the “Interim Order”), the Interim Order having been served as shown by the Certificate of Service [Docket #38], Lenard E. Schwartzer of the Schwartzer & McPherson Law Firm appearing for Carefree Willows, LLC, Debtor and Debtor in Possession (the “Debtor”), Robert R. Kinas of Snell & Wilmer appearing for AG/ICC Willows Loan Owner, L.L.C., the successor to Union Bank of

1 California, N.A. (the "Lender"), the Court having reviewed the Motion, been advised of the
 2 agreement of the Debtor and the Lender and finding good cause, it is

3 **ORDERED** that the Debtor is authorized to use the revenue generated by its senior
 4 housing complex (the "Senior Complex"), including but not limited to rents, to maintain the
 5 Senior Complex, for payment of maintenance expenses, management and employees, real estate
 6 taxes, insurance premiums, and utilities incurred by the Senior Complex, and for no other
 7 purposes as stated in the budget provided to the Court; and it is further

8 **ORDERED** that the budget shall be adjusted to include a \$1,772 per month adequate
 9 protection payment to 1st Service Bank on account of its security interest in the shuttle bus used by
 10 the Debtor (the "Amended Budget"), a copy of which is attached to this Order as **Exhibit "1"**; and
 11 it is further

12 **ORDERED** that the Debtor is authorized to expend up to 5% more than is shown on the
 13 Amended Budget for expenses similar to those stated in the Amended Budget in any month
 14 without further Court order and the Debtor is prohibited from spending more than 5% than the
 15 amount of the Amended Budget without the consent of the Lender or an order of this Court; and it
 16 is further

17 **ORDERED** that the Bank has lien on the cash in the Debtor's bank accounts on the date of
 18 the petition and shall have a replacement lien with the same priority and to the same extent as its
 19 prepetition lien which includes but is not limited to all revenue and accounts receivable generated
 20 by the Senior Complex post-petition; and it is further

21 **ORDERED** that the cash in the Debtor's bank accounts on the date of the petition shall be
 22 held in one DIP account and not used by the Debtor and the post-petition income generated by the
 23 Senior Complex shall be deposited in another DIP Account to be used pursuant to the terms of this
 24 Order; and it is further

25 **ORDERED** the Debtor shall make an adequate protection payment of \$75,000 to the
 26 Lender by the 10th business day of each month beginning with December, 2010; and it is further

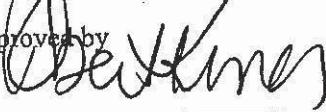
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1 ORDERED that this Order shall remain in effect until February 1, 2011 and may be
2 extended by stipulation between the Debtor and the Lender or by order of this Court.

3 Submitted by:

4
5 /s/ Lenard E. Schwartzer
6 Lenard E. Schwartzer, Esq.
7 Schwartzer & McPherson Law Firm
8 2850 South Jones Blvd., Suite 1
9 Las Vegas, NV 89146
10 *Attorneys for Debtor and Debtor in Possession*

11 Approved by
12 
13 Robert R. Kinas, Esq.
14 Snell & Wilmer
15 3883 Howard Hughes Parkway
16 Suite 1100
17 Las Vegas, NV 89169
18 *Attorneys for AG/ICC Willows Loan Owner, L.L.C.*

19 In accordance with LR 9021, counsel submitting this document certifies that the order accurately
20 reflects the court's ruling and that:

21 The court has waived the requirement set forth in LR 9021 (b)(1).

22 No party appeared at the hearing or filed an objection to the motion.

23 I have delivered a copy of this proposed order to all counsel who appeared at the hearing,
24 and any unrepresented parties who appeared at the hearing, and each has approved or
25 disapproved the order, or failed to respond, as indicated above.

26 I certify that this is a case under Chapter 7 or 13, that I have served a copy of this order
27 with the motion pursuant to LR 9014(g), and that no party has objected to the form or
28 content of the order.

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EXHIBIT “1”

Carefree Willows LLC Projected Operating Budget and Cash Flow

	November-10 Budget	December-10 Budget	January-11 Budget	February-11 Budget	March-11 Budget	April-11 Budget	Total Budget
Property Income							
4011 Rental Income	\$287,000	\$289,870	\$292,769	\$295,696	\$298,653	\$301,640	\$1,765,628
4020 Rent Concessions	(\$59,000)	(\$58,410)	(\$57,826)	(\$57,248)	(\$56,675)	(\$56,108)	(\$345,267)
4021 Guest Suite Income	\$6,200	\$6,200	\$6,200	\$6,200	\$5,600	\$4,000	\$34,400
4025 Beauty Shop Income	\$200	\$200	\$200	\$200	\$200	\$200	\$1,200
4360 Garage Rent	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$12,600
4365 Appliance Rent/Sale	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$13,800
4370 Pet Rent	\$650	\$650	\$650	\$650	\$650	\$650	\$3,900
4501 Application Fee	\$300	\$300	\$300	\$300	\$300	\$300	\$1,800
4502 Smokers Fee Charge	\$350	\$350	\$350	\$350	\$350	\$350	\$2,100
4503 Pet Fee Non Refundable	\$750	\$750	\$750	\$750	\$750	\$750	\$4,500
4504 Forfeited Security Deposits	\$600	\$600	\$600	\$600	\$600	\$600	\$3,600
4506 Material Recovery	\$600	\$600	\$600	\$600	\$600	\$600	\$3,600
4510 Community Fee	\$500	\$500	\$500	\$500	\$500	\$500	\$3,000
4511 Termination Fee	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$12,000
4520 Vending/Laundry Income	\$120	\$120	\$120	\$120	\$120	\$120	\$720
4522 Parking Income	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$6,000
4540 Late Fee	\$500	\$500	\$500	\$500	\$500	\$500	\$3,000
4541 NSF Charges	\$50	\$50	\$50	\$50	\$50	\$50	\$300
Total Property Income	\$246,220	\$249,680	\$253,163	\$256,669	\$259,598	\$261,551	\$1,526,881
Property Operating Expenses							
6210 Newspaper	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$16,200
6221 Magazine Advertising	\$950	\$950	\$950	\$950	\$950	\$950	\$5,700
6222 Internet Advertising	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$10,800
6223 Yellow Pages	\$150	\$150	\$150	\$150	\$150	\$150	\$900
6224 TV Advertising	\$4,300	\$4,300	\$4,300	\$4,300	\$4,300	\$4,300	\$25,800
6230 Other Advertising	\$18	\$18	\$18	\$18	\$18	\$18	\$108
6231 Direct Mail Advertising	\$75	\$75	\$75	\$75	\$75	\$75	\$450
6235 Flags Banners Signs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6236 Referral Fees	\$300	\$300	\$300	\$300	\$300	\$300	\$1,800
6237 Resident Retentions	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$6,000
6243 Brochures	\$200	\$200	\$200	\$200	\$200	\$200	\$1,200
6305 Electric	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$30,000
6306 Gas	\$800	\$800	\$800	\$800	\$800	\$800	\$4,800
6307 Water	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$14,400
6308 Sewer	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$21,228
6309 Garbage	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$13,800
6310 Cable TV	\$34	\$34	\$34	\$34	\$34	\$34	\$204
6401 Activities Expense	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$16,800
6402 Shuttle Expenses	\$1,360	\$1,360	\$1,360	\$1,360	\$1,360	\$1,360	\$8,160
6403 Other Activity Expenses	\$900	\$900	\$900	\$900	\$900	\$900	\$5,400
6405 Activities Recovery	(\$400)	(\$400)	(\$400)	(\$400)	(\$400)	(\$400)	(\$2,400)
6406 Lunch Program	\$100	\$100	\$100	\$100	\$100	\$100	\$600
6510 Landscaping	\$4,050	\$2,550	\$2,550	\$2,550	\$2,550	\$4,050	\$18,300
6511 Pool/Fountain	\$700	\$700	\$700	\$700	\$700	\$700	\$4,200
6512 HVAC	\$400	\$400	\$400	\$400	\$400	\$400	\$2,400
6513 Appliance Repairs	\$150	\$150	\$150	\$150	\$150	\$150	\$900
6514 Electrical	\$300	\$300	\$300	\$300	\$300	\$300	\$1,800
6515 Plumbing	\$200	\$200	\$200	\$200	\$200	\$200	\$1,200
6516 Parking/Sidewalk Maintenance	\$100	\$100	\$100	\$100	\$100	\$100	\$600
6518 Gates/Fencing/Walls	\$100	\$100	\$100	\$100	\$100	\$100	\$600
6519 Lighting	\$300	\$300	\$300	\$300	\$300	\$300	\$1,800
6520 Elevators	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$18,000
6521 Fire Safety System	\$700	\$700	\$700	\$700	\$700	\$700	\$4,200
6522 Keys/Locks	\$100	\$100	\$100	\$100	\$100	\$100	\$600
6523 Painting	\$100	\$100	\$100	\$100	\$100	\$100	\$600
6524 Windows	\$50	\$50	\$50	\$50	\$50	\$50	\$300
6525 Carpet Cleaning/Repairs	\$100	\$100	\$100	\$100	\$100	\$100	\$600
6529 General Repairs & Maintenance	\$150	\$150	\$150	\$150	\$150	\$150	\$900
6530 Pest Control	\$500	\$500	\$500	\$500	\$500	\$500	\$3,000
6533 Janitorial Supplies	\$400	\$400	\$400	\$400	\$400	\$400	\$2,400
6537 Alarm	\$150	\$150	\$150	\$150	\$150	\$150	\$900
6538 Unit Upgrades	\$150	\$150	\$150	\$150	\$150	\$150	\$900
6541 Aquarium Maintenance	\$600	\$600	\$600	\$600	\$600	\$600	\$3,600

Carefree Willows LLC Projected Operating Budget and Cash Flow

	November-10 Budget	December-10 Budget	January-11 Budget	February-11 Budget	March-11 Budget	April-11 Budget	Total Budget
6715 Electricity Vacancies	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$8,400
6720 Painting/Drywall	\$100	\$100	\$100	\$100	\$100	\$100	\$600
6730 Carpet Cleaning	\$500	\$500	\$500	\$500	\$500	\$500	\$3,000
6731 Flooring Replacements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6750 Other Vacancy Expenses	\$150	\$150	\$150	\$150	\$150	\$150	\$900
6810 Guest Suite Expenses	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$6,600
6910 Maintenance Wages	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$9,750	\$42,250
6915 Office Wages	\$10,100	\$10,100	\$10,100	\$10,100	\$10,100	\$15,150	\$65,650
6916 Activities Wages	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	\$7,650	\$33,150
6919 Commissions	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$18,000
6951 Payroll Taxes	\$2,717	\$2,717	\$2,717	\$2,717	\$2,717	\$3,911	\$17,496
6952 Workers Comp Insurance	\$375	\$375	\$375	\$375	\$375	\$375	\$2,250
6961 Group Insurance	\$600	\$600	\$600	\$600	\$600	\$600	\$3,600
6962 Rent Concessions	\$1,138	\$1,138	\$1,138	\$1,138	\$1,138	\$1,138	\$6,828
6963 Employee Incentives	\$100	\$100	\$100	\$100	\$100	\$100	\$600
6964 Educations/Seminars	\$120	\$120	\$120	\$120	\$120	\$120	\$720
6965 401K/Profit Sharing	\$30	\$30	\$30	\$30	\$30	\$30	\$180
6981 Uniforms	\$165	\$165	\$165	\$165	\$165	\$165	\$990
6982 Payroll Processing	\$135	\$135	\$135	\$135	\$135	\$135	\$810
6983 Temporary Labor	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$16,800
6984 Auto Allowance	\$250	\$250	\$250	\$250	\$250	\$250	\$1,500
6987 Drug Test/Credit Check	\$80	\$80	\$80	\$80	\$80	\$80	\$480
7005 Office Supplies	\$350	\$350	\$350	\$350	\$350	\$350	\$2,100
7006 Postage/Freight	\$150	\$150	\$150	\$150	\$150	\$150	\$900
7008 Furniture/Equipment Expense	\$250	\$250	\$250	\$250	\$250	\$250	\$1,500
7009 Computer Support	\$380	\$380	\$380	\$380	\$380	\$380	\$2,280
7010 Accounting/Legal/Professional	\$40	\$40	\$40	\$40	\$40	\$40	\$240
7014 Dues & Subscriptions	\$10	\$10	\$10	\$10	\$10	\$10	\$60
7022 Forms & Printing	\$50	\$50	\$50	\$50	\$50	\$50	\$300
7023 Answering Service	\$100	\$100	\$100	\$100	\$100	\$100	\$600
7024 Telephones & Pagers	\$870	\$870	\$870	\$870	\$870	\$870	\$5,220
7025 Bank Charges	\$140	\$140	\$140	\$140	\$140	\$140	\$840
7030 Other G & A Expenses	\$80	\$80	\$80	\$80	\$80	\$80	\$480
7037 Management Fees @4%	\$9,849	\$9,987	\$10,127	\$10,267	\$10,384	\$10,462	\$61,075
7038 Activity Fees @2%	\$4,924	\$4,994	\$5,063	\$5,133	\$5,192	\$5,231	\$30,538
7051 Property Taxes	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$98,448
7052 Insurance	\$6,728	\$6,728	\$6,728	\$6,728	\$6,728	\$6,728	\$40,368
7057 Association Dues	\$3,161	\$3,161	\$3,161	\$3,161	\$3,161	\$3,161	\$18,966
9130 Non Oper'l Acct/Legal/Prof Fee	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$12,000
9200 Depreciation Expense	\$137,091	\$137,091	\$137,091	\$137,091	\$137,091	\$137,091	\$822,546
Total Property Expenses	\$261,666	\$260,374	\$260,583	\$260,793	\$260,969	\$274,630	\$1,579,014
Net Operating Income	(\$15,446)	(\$10,694)	(\$7,420)	(\$4,124)	(\$1,371)	(\$13,078)	(\$52,133)
Cash Flow Analysis							
Net Operating Income	(\$15,446)	(\$10,694)	(\$7,420)	(\$4,124)	(\$1,371)	(\$13,078)	(\$52,133)
Adjustments:							
Property Tax Amortization	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$98,448
Property Tax Payments			(\$49,224)		(\$49,224)		(\$98,448)
Insurance Amortization	\$6,728	\$6,728	\$6,728	\$6,728	\$6,728	\$6,728	\$40,368
Insurance Payments			(\$10,574)	(\$8,074)	(\$8,074)	(\$8,074)	(\$34,794)
Shuttle Bus Loan-Adequate Protection	(\$1,772)	(\$1,772)	(\$1,772)	(\$1,772)	(\$1,772)	(\$1,772)	(\$10,632)
Union Bank-Adequate Protection	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$450,000)
Depreciation Expense	\$137,091	\$137,091	\$137,091	\$137,091	\$137,091	\$137,091	\$822,546
Capital Expenses (1)	(\$1,000)						(\$1,000)
Net Cash Flow	\$67,009	\$72,761	\$16,237	\$71,257	\$24,787	\$62,303	\$314,354

(1) Bus Repair 11/10